

MINUTES
TOMSA board meeting
Monday, September 23, 2013

There is a video recording of this meeting, but the sound quality is poor in parts due to some board members speaking too softly, but mainly due to loud noise from a blower above the public seating area where the camera was set up. The blower kicked on and off throughout the meeting. If you have any questions about what was discussed, call TOMSA at 732-495-1010.

The public meeting began at 7:30 p.m. and ended at about 9:10 p.m.

TOMSA auditor William Meyler discussed amendments to the 2013 budget. Results of the 6-month audit were also discussed. A few things mentioned were the \$250K for Sandy expenses, interest income of \$17K, \$175K interest expense on bonds, and \$26K received from insurance for trucks lost to flooding.

(Time 17:00:00) Also discussed was the \$400K annual accrued amount for the unfunded liability for post-employment medical benefits (PEMB) based on amortization over 30 years of the estimated current total of \$9 million. There are roughly 13 retirees currently and 33 active employees. Like the Township, TOMSA pays its PEMB liability on a pay-as-you-go basis. Chairwoman Bouw suggested setting aside a budgeted amount of \$50K annually for the PEMB liability. The board took a vote to do this.

It was noted that Mr. Meyler's firm, Meyler & Company, recently merged with another firm, Cowan, Guteski & Co. Meyler remains the appointed auditor.

(Time 35:00:00) TOMSA engineer John Van Dorpe discussed the status of various engineering projects. The digester gas renewable energy project is on hold, however Van Dorpe mentioned a seminar on 9/26/13 to discuss the project and noted the design would be altered so the system would provide power in the next emergency.

(Time 45:00:00) TOMSA's risk manager, Peter Soriero, was present and discussed flood insurance. The board discussed setting aside funding for flood mitigation & self-insurance. It was noted that FEMA will recognize self-insurance as insurance coverage only if TOMSA implements FEMA remediation requirements. It was noted that each building has to be insured separately and has its own deductible. Nothing below base flood elevation is insurable, so TOMSA would bear the cost of that damage itself whether or not it has a flood insurance policy. Also, there is no such thing as flood umbrella coverage like the coverage the Authority has under the JIF (joint insurance fund) for other exposures to loss. Soriero was asked to get flood quotes for comparison purposes.

Director Ray Nierstedt gave a report. He said TOMSA had just had its exit interview with FEMA on 8/30/13 and that TOMSA's total claim submitted was about \$1 million. TOMSA has received about \$59K from FEMA so far and more is expected. About \$210,000 was received from the JIF for vehicles lost to the flood. With respect to the Bayshore Outfall Authority (BOA), the board directed TOMSA's attorney to draft a letter to the BOA outlining TOMSA's concerns with respect to flood planning and coordination between the two agencies.

Nierstedt noted that TOMSA revenues and expenses were currently running 3% and 9% below budget, respectively, and that there are many required projects in the works that will run \$2-3 million. Several projects include (time stamp 01:10:00):

Emory Drive pump station – This has been in need of repair for some time. Bamm Hollow developers will be installing a new system design at this location to accommodate the new development and will be bearing the cost. In addition, however, there are needed repairs at this site that will cost TOMSA \$36K for engineering and \$500K for construction.

Aerial crossing sewer rehab project – The project cost is up to \$400K.

Generator replacement – A study is recommended to determine cost and options for repair or replacement. The cost may be \$1 million. A board member suggested considering this project in concert with the digester gas co-generation (renewable energy) project, which will provide electricity to the plant.

Roof replacement – Most roofs were done in the last five years.

Vehicle replacement – Replacement of a utility vehicle, a small dump truck, was discussed. Also discussed was a 2nd utility truck purchased under state contract at a cost of \$35K.

Telephone system – Research is required.

Grinder – Some flushable wipes on the market now have been a problem that will require a new grinder. A nursing home and retirement community were mentioned as primary contributors.

OTHER board comments:

- There is a need to meet with JCP&L reps regarding a transformer they own.
- It was noted that FEMA flood remediation rules require a 30KW generator at a cost of \$20K for one pump station. (I am not sure which pump station this pertains to, but believe it is in addition to other repair or replacement.)
- There was discussion of potential project grant monies, but no clear feel at this time for what is available.

PUBLIC COMMENTS (*responses in italics*):

The owner of a 12-unit affordable housing complex in Leonardo appealed to the board to lower the charge for his sewer connection fee. *He was told that certificates of occupancy (C/Os) and the number of units is the basis for connection charges and that these charges are based on the capital budget of the Authority, where quarterly service charges are based on the Authority's operating budget.*

Resident Bob Superti mentioned the availability of a simple cost-effective water collection process to prevent flooding caused by back-up through conduit (if understood correctly). *Some board members had familiarity with the process and said it would be looked into.*

Resident Linda Baum asked about paperwork and other records lost in the flood. *The director stated that materials stored in the bottom drawers of filing cabinets was lost and tossed without review. He gave no specifics about records that may be missing.*

In follow-up to earlier board discussion, Baum asked for clarity on the insurance policies and coverages provided to TOMSA retirees. *The board did not respond. The board attorney said HIPAA prevented discussion, but Baum pointed out that she was asking about general policies and types of coverage for all retirees, not for any particular person and that no personal health information was being requested.*

Baum also called attention to the loud noise created by the blower over the public seating area, which she said had been a problem for over a year. The blower was running while she spoke. She questioned whether the meeting could be considered a public meeting if the public can't hear what's being said. She mentioned several solutions suggested previously, such as turning off the HVAC system during the meeting and instead opening windows, or use of microphones by the board members and others at the conference table. Baum asked if she could place small audio devices, each the size of a cell phone, on the shelf at the other end of the room away from the blower. *The board did not give an answer. The chairwoman, Chantal Bouw, said that the vent at the other side of the room directly above her was blowing loudly too.* Baum crossed the room to check the duct at the far end and said that Ms. Bouw's statement was not true. Baum asked again for permission to place the audio devices on the shelf, *and again got no reply.*